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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this **28th** day of **October, 2008**, between <u>Thomas J. Tierney and Angela N. Tierney, husband and wife, Lessor</u> (whether one or more), whose address is: <u>7423 Gallo, Grand Prairie, Texas 75054</u>, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the those mentioned), together with the right to make surveys on said fand, lay pipe lines, establish and utilize facilities for surface or subsurface on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced Tarrant, State of Texas, and is described as follows:

0.160 acres, more or less, being of Lot 48, Block A of Mira Lagos No. F-1B, an Addition to the City of Grand Prairie, Tarrant County Texas, being part of C.M. Adams Survey, Abstract No. 38 in the City of Grand Prairie, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 10314, Plat Records, Tarrant County, and being those same lands more particularly described in a Special Warranty Deed with a Vendor's Lien, dated October 26, 2007, from RH of Texas Limited Partnership to Thomas J. Tierney, easements and alleyways adjacent thereof, and any riparian rights.

This is a non-development oil, gas and mineral lease, whereby lessee, its successors or assigns, shall not conduct any operation, enter upon or in any way disturb the surface of the lands described herein. However, lessee shall have the right to pool or unitize said lands, or any part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of lessor to allow over any references to surface operations contained within the preprinted portion of this lease.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.160 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of <u>5</u> years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the posted market price of such 115 part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average to bear 115 of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) the manufacture of gasoline or other products, the market value, at the mouth of the well, of 115 of such gas and casinghead gas; (c) To pay Lessor, and all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or the well, of 115 of such gas and casinghead gas; (c) To pay Lessor or on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted coverants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the separator, and lease tank, and shall not be required to settle labor trouble or for market gas upon terms unacceptable to Lessee. If, at any time or operations on said land, then at or before the expiration of said ninery day period, Lessee shall make like payments or tenders at or before the expiration of said ninery day period, Lessee shall make like payments or tenders at or before the expiration of said ninery day period, Lessee shall make like payments or tenders at or before the royalities which would be paid under this lease if the wells or the provisions of this paragraph. Each such payment or tender shall be made to the parties who a

payment. Nothing herein shall impair Lessee's night to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease, except of the control of the

provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such record owner, Lessee may, nevertheless pay or tender.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after receipt after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage as an enecessary to operations on the acreage so retained and shall not be required to move or remove any existing spacing rules or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written LESSOR(S) Thomas J. Tierney

STATE OF __TEXAS) ss. COUNTY OF ___TARRANT

(ACKNOWLEDGMENT FOR INDIVIDUAL)

This instrument was acknowledged before me on the 28th day of October, 2008 by Thomas J. Tierney and Angela N. Tierney, husband

Signature

CHARLES M. POUNDS Notary Public, State of Texas My Commission Expires September 19, 2012